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Subject: Diversity, Equity, and Inclusion Efforts at POP MART

Introduction

As potential investors consider an investment in POP MART, it is essential to evaluate the company's approach to Diversity, Equity, and Inclusion (DEI). DEI initiatives influence corporate reputation, consumer loyalty, employee engagement, and long-term business sustainability. In today's market, companies with strong DEI commitments tend to perform better financially and maintain higher levels of consumer trust. As a global designer toy brand, it owns multiple IPs, such as Labubu and Molly, and has recently launched a collaboration with Barbie. POP MART has the opportunity to set industry standards in DEI. My paper will provide an overview of the company's DEI initiatives, highlight potential areas for improvement, and address investor expectations regarding POP MART's approach to inclusivity.

POP MART's DEI Strategy and Current Initiatives

POP MART has rapidly expanded beyond its origins in China, making significant inroads into international markets. With this expansion, the company has recognized the need for a more structured approach to DEI. Below are some key areas where POP MART has implemented DEI strategies:

Diverse Workforce and Leadership: POP MART has prioritized hiring a more diverse workforce, especially in its global markets such as the U.S., Europe, and Japan. While entry-level diversity has increased, there remains a need for better representation of underrepresented groups in senior leadership roles. A key area of improvement would be setting tangible leadership diversity goals to reflect its global audience.

Inclusive Product Design and Representation: POP MART's blind-box toy collections cater to a wide range of cultures and identities. Recent collaborations with international artists have helped diversify character representation. However, to maintain global relevance, POP MART should continue expanding its partnerships with artists from underrepresented backgrounds and ensure its toy designs reflect a broad spectrum of cultural identities. Additionally, incorporating accessibility-friendly packaging and design elements could further demonstrate a commitment to inclusivity.

Workplace Equity and Career Growth: The company has taken steps to create professional development programs for employees, but transparency in pay equity, promotion rates, and retention across demographic groups is still limited. Establishing clear policies on equal pay, mentorship for underrepresented employees, and employee satisfaction surveys focused on DEI will enhance investor confidence in POP MART's commitment to workplace equity.

Consumer Engagement and Cultural Sensitivity: With an increasingly international audience,

POP MART has localized its marketing efforts. However, previous missteps in cultural sensitivity—such as designs or marketing campaigns that did not fully consider diverse perspectives—highlight the need for more comprehensive DEI training and research. A robust review process for product development and marketing campaigns will help mitigate risks and enhance consumer trust.

Supplier and Vendor Diversity: POP MART currently works with a global network of suppliers, but little public information is available on whether diversity considerations factor into supplier selection. Implementing a supplier diversity program that prioritizes partnerships with minority-owned and women-owned businesses could improve its Environmental, Social, and Governance standing and overall investor appeal.

Investor Considerations and DEI Expectations

Investors evaluating POP MART from a DEI perspective should consider the following factors:

Risk Mitigation: Companies with weak DEI frameworks face reputational, legal, and operational risks. POP MART should ensure that its policies align with international DEI best practices to avoid backlash in global markets.

Global Market Competitiveness: A strong DEI commitment enhances brand appeal, particularly in diverse markets such as the U.S. and Europe, where inclusivity is a key factor in consumer purchasing decisions.

Talent Acquisition and Retention: Inclusive workplaces attract top talent, foster innovation, and reduce turnover costs. POP MART's ability to build an inclusive company culture will directly impact its ability to scale internationally.

Alignment with ESG Criteria: Institutional investors increasingly prioritize ESG factors, with DEI playing a significant role in their decision-making. POP MART must ensure that its DEI initiatives are measurable and reportable to maintain a competitive edge among ESG-conscious investors.

Recommendations for POP MART's DEI Advancement

To strengthen its DEI standing and increase investor confidence, POP MART should consider implementing the following strategies:

Enhance Leadership Diversity: Set clear targets for executive diversity and create a talent pipeline program to promote individuals from underrepresented backgrounds into leadership roles.

Increase Transparency in DEI Metrics: Publish detailed reports on workforce demographics, pay equity, and promotion rates. Publicly available DEI data fosters trust and demonstrates

accountability.

Expand Inclusive Product Offerings: Continue collaborations with diverse artists and ensure that new product lines feature a variety of cultures, skin tones, gender identities, and disabilities.

Strengthen DEI Training and Cultural Sensitivity Programs: Provide regular DEI education for employees, leadership, and design teams to prevent cultural missteps and improve cross-cultural competency.

Develop a Supplier Diversity Program: Establish policies that prioritize partnerships with minority-owned and women-owned businesses to enhance the company's ESG impact.

Integrate DEI into Consumer Research and Marketing: Implement robust consumer feedback mechanisms to ensure that new products and campaigns are culturally sensitive and reflective of diverse perspectives.

Conclusion

POP MART has made progress in DEI, but further transparency and structural improvements will position the company as a global leader in the designer toy industry. Investors should closely monitor these developments, as a strong DEI framework will be crucial for sustaining long-term brand growth, talent retention, and consumer trust. Strengthening DEI policies will not only reduce potential risks but also enhance POP MART's attractiveness as an investment opportunity in the evolving global market.

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